

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "H" MUMBAI**

**BEFORE SHRI PAVAN KUMAR GADALE (JUDICIAL MEMBER) AND
SHRI AMARJIT SINGH (ACCOUNTANT MEMBER)**

**ITA No. 1341/MUM/2020
Assessment Year: 2016-17**

Mr. Kishore Genubhau Dangat,
Sai Darshan Bldg. No. 401, Sindhi
Society, Chembur,
Mumbai-400071.

**PAN No. AAEPD 5050 H
Appellant**

ACIT-17(2),
Vs. Kautilya Bhavan, BKC Bandra
East,
Mumbai-400051.

Respondent

Assessee by : None
Revenue by : Mr. Vinay Kaushal, DR

Date of Hearing : 01/12/2021
Date of pronouncement : 02/12/2021

ORDER

PER AMARJIT SINGH, A.M.

The appeal has been filed by the assessee mainly on the issue of upholding the addition of ₹74,94,179/- by the Ld. CIT(A) in respect of disallowance of direct and indirect expenses by the AO.

2. At the outset, it is noticed that none appeared on behalf of assessee in spite of calls and even no application for adjournment was moved. On the other hand, Ld. DR is present in the court and is ready with arguments. Therefore, we have decided to proceed with the hearing of the case *ex-parte* with the assistance of the Ld. DR and the material placed on record.

3. The fact in brief is that return of income declaring income of ₹ 90,40,060/- was filed on 02.05.2017. The case was subject to scrutiny assessment and notice u/s 143(2) was issued on 10.08.2018. During the course of assessment on verification of the books of accounts and relating material, the Assessing Officer observed that the assessee was following mercantile system of accounting, however, the assessee had not shown any income from any project but claimed expenses related to the project without showing the same under the head 'work-in-progress'. Therefore, the claim of the assessee on account of direct and indirect expenses to the amount of ₹74,94,179/- as per detail given at page No. 2 to 4 of the assessment order was disallowed and added to the total income of the assessee.

4. Aggrieved, assessee filed appeal before the Ld. CIT(A). The Ld. CIT(A) stated that the assessee has not attended the proceedings before him during the course of appellate proceedings, therefore, he has dismissed the appeal of the assessee.

5. Heard the Ld. DR and perused the material on record. Without retreating the facts as elaborated above, the Assessing Officer has made disallowance of ₹74,94,179/- in respect of expenses claimed by the assessee. However, the Ld. CIT(A) has dismissed the appeal of the assessee without specifically making any discussion on the material furnished by the assessee during the course of assessment proceedings on the basis of which the Assessing Officer has made disallowance of impugned expenses. In this regard, we are of the view that the Ld. CIT(A) should have given details reasons along with points for determinations of his order as provided in section 250 sub-section 6 of the Act. Therefore, we considered that it would be appropriate to restore this case to the

file of the Ld. CIT(A) for adjudicating the same on merit after giving opportunity to the assessee as per the provisions u/s 250(6) of the Act. The assessee is directed to make compliance before the Ld. CIT(A) without any failure in the appellate proceedings. Accordingly, the grounds raised by the assessee is allowed for statistical purposes.

6. In the result, the appeal filed by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 02/12/2021.

Sd/-
(PAVAN KUMAR GADALE)
JUDICIAL MEMBER

Sd/-
(AMARJIT SINGH)
ACCOUNTANT MEMBER

Mumbai;

Dated: 02/12/2021

Rahul Sharma, Sr. P.S.

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. The CIT(A)-
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

//True Copy//

BY ORDER,

(Sr. Private Secretary)
ITAT, Mumbai